

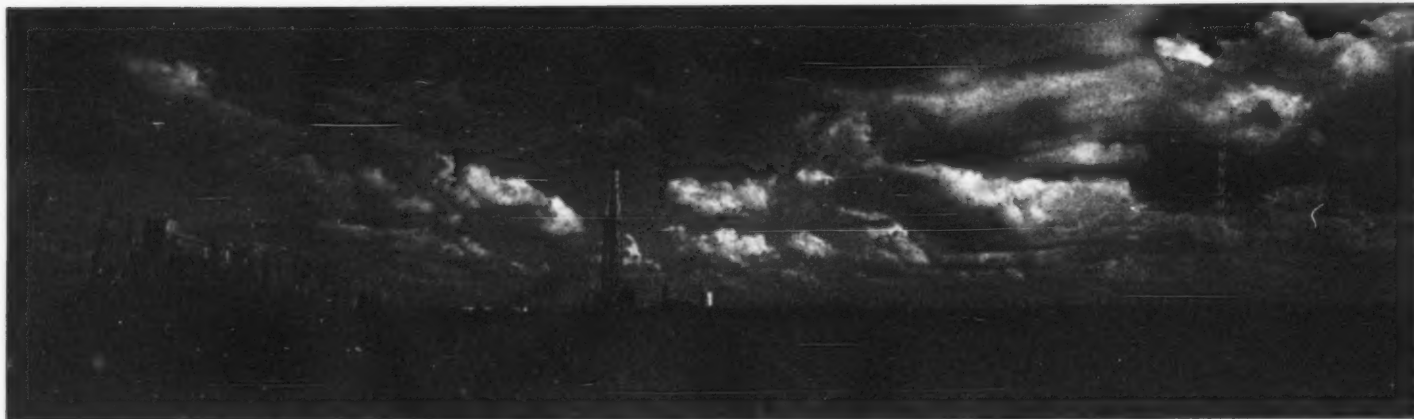
Upstream Dialogue

The world needs Canada's energy, developed responsibly.

The Canadian oil and gas industry fully recognizes that it must continue to do its part in addressing greenhouse gas (GHG) emissions. In December 2009 the world will come together at the United Nations Climate Change Conference to discuss the reduction of GHG emissions and combating global climate change. [read more](#)

► [Learn more about how Canada's oil and gas industry provides GHG solutions.](#)





CAPP on Climate

Our world needs energy and Canada is uniquely positioned to provide it – responsibly and reliably. Oil and gas will continue to play a significant role in the energy supply mix.

The Canadian oil and gas industry advocates several key principles to guide the development of Canadian climate policy.

CAPP's Climate Change Policy Principles

Balance

Balanced "3E" climate policy delivers Economic growth, Environmental protection, and a secure and reliable Energy supply.

Technology

Policy should stimulate investment in the technologies necessary for significant reductions in GHG emissions in Canada.

Predictability and Stability

A predictable and stable policy supports long term capital investments in our sector and creates jobs for Canadians.

Compatibility

Policy compatibility with major trading and economic partners (particularly with the U.S., our largest trading partner) maintains Canada's competitiveness.

Harmonization

It is important to attain policy harmonization across jurisdictions within Canada, to an extent that is reasonable and practical.

- ▶ Learn more about how Canada's oil and gas industry provides GHG solutions.
- ▶ Learn more about the 2009 United Nations Climate Change Conference.



"We believe we will be able to meet the expectations of Canadians including those with respect to greenhouse gas emissions."

Watch a video summary by CAPP president David Collyer.



Inside:

Industry in the News

[read more](#)

Stewardship

Innovation and Technology

Learn about the Waste Heat Recovery Unit that is reducing CO₂ emissions at Talisman's Bigstone natural gas plant.

[read more](#)

Relationships Behind the Resource

Devon Canada and PennWest Energy Trust are spreading the word about the oil and gas industry to teachers and students. [read more](#)

Stewardship Report

CAPP'S 2009 Stewardship Report will be available soon. [read more](#)

2010 Steward of Excellence Awards

Attention CAPP members! Get your award nominations in now! [read more](#)

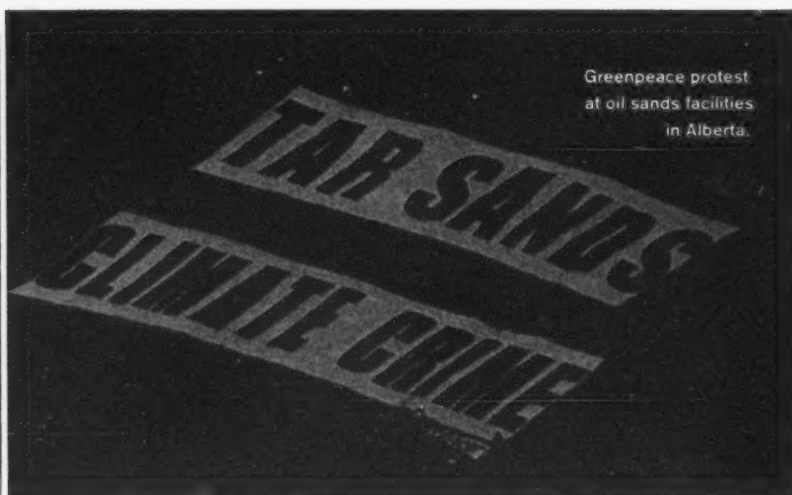
Employee Perspectives

Shell's Roxanne Hodgson is right at home with the trappers of northern Alberta. Learn more about her exciting career. [read more](#)

Industry Practice and Regulations

[read more](#)





CAPP on Climate (continued)

World Energy Statistics (2008)

Global demand for energy is expected to **more than double** by 2050 as economies in both developed and emerging countries continue to grow and the standard of living improves in the developing world.²

- Read more [world energy statistics](#)

Canadian Energy Statistics (2008)

Canada's oil and gas industry currently supports **500,000** jobs across Canada. In 2008, the industry paid \$26 billion in taxes and royalties to governments.

- Read more [Canadian energy statistics](#)

Oil Sands GHG Statistics (2008)

Oil sands GHG emissions equal about **1 per cent** and **1.6 per cent** of U.S. and Europe's power generation emissions respectively.

- Read more [oil sands CO₂ statistics](#)

MYTH vs FACT

MYTH: In his recent San Francisco Chronicle article, *Behold! Canada's most disgusting export*, Mark Morford wrote:

"The ugliest part is, the oilsand project is expanding as fast as inhumanly possible. It is already, according to various reports, the largest energy project in the world. Bigger than Saudi Arabia. Bigger than Wal-Mart. Bigger than Jesus."

FACT:

GHG emissions from oil sands: 33 megatonnes

- Source: [Environment Canada](#)

GHG emissions from Saudi Arabia: 165 megatonnes

- Source: [United Nations Statistics Division](#)

GHG emissions from Wal-mart: 200 megatonnes

- Source: [TerraPass](#)

Industry in the News

News Highlights

September – October 2009

Greenpeace protests at oil sands facilities in Alberta.

- Read [CAPP's position on anti-oil sands activity](#)

October 20, 2009

The Pembina Institute – *Companies, Environmental Organizations Work Together to Outline Key Elements of Cap-and-Trade Design*

- Read this [news release](#)
- Read [CAPP's position on climate change policy](#)

October 7, 2009

San Francisco Chronicle – *Behold! Canada's most disgusting export*

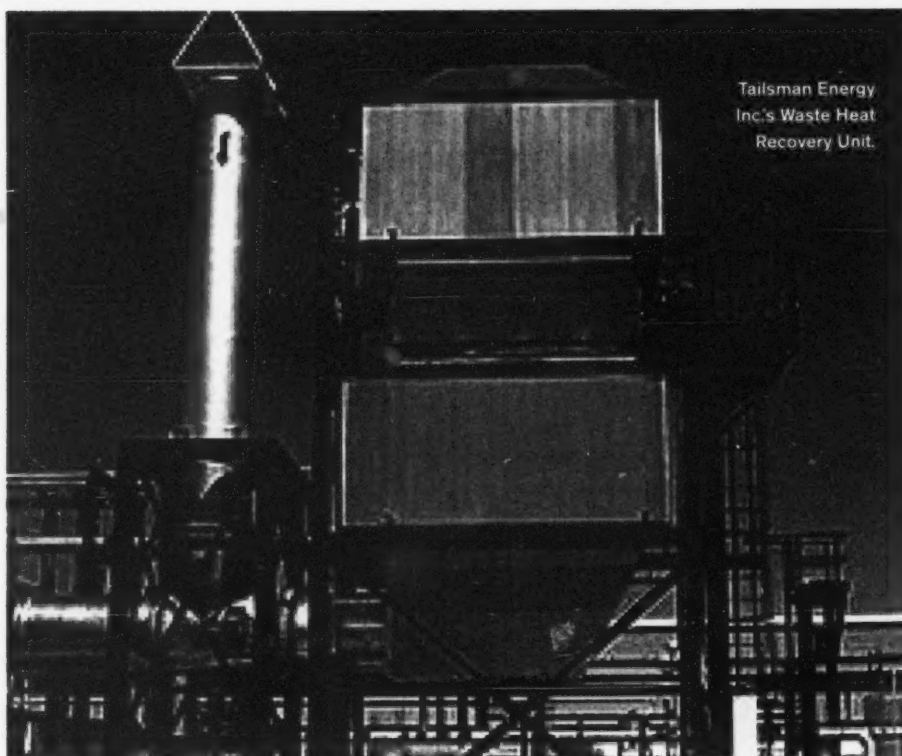
- Read this [article and CAPP's rebuttal](#) printed in the San Francisco Chronicle October 9, 2009

September 24, 2009

Canada News Wire – *Canadians expect energy leadership from Canada*

- Read the results from the Centre for Energy Information's [energy literacy survey](#)





Talisman Energy
Inc.'s Waste Heat
Recovery Unit.



Innovation and Technology

Recovering heat, reducing CO₂

Talisman Energy Inc. is getting creative when it comes to reducing CO₂ emissions.

The company recently introduced a Waste Heat Recovery Unit (WHRU) to its Bigstone natural gas plant near Fox Creek, Alberta. The WHRU was designed to transfer waste heat [► sidebar] produced by gas turbine compressors and use it to heat liquids required to process gas. By transferring and re-using the waste heat, rather than generating new heat, Talisman is able to reduce its fuel gas consumption.

On average, the fuel gas savings will be approximately 300,000 cubic feet per day, a 15 per cent reduction. CO₂ emission reductions are expected to be about 4,500 tonnes per year, the equivalent of taking more than 700 cars off the road. The results are so impressive that Talisman is currently looking at further ways to utilize waste heat and apply the technology to other compressor units.

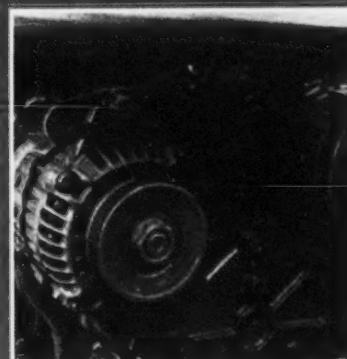
Talisman has a history of finding innovative ways to improve energy efficiency. In 2004, the company built Alberta's first sour gas plant cogeneration facility at its Edson gas plant and is implementing a number of initiatives to reduce CO₂. These initiatives combined with the cogeneration facility reduces CO₂ emissions by 23,000 tons per year, lowers the plant's fuel gas consumption by one million cubic feet per day and produces 10 mega watts of electrical power. Cogeneration also improves plant reliability by allowing continued operations during interruptions on the main power grid.

- Read more stories about how CAPP member companies are using [innovation and technology](#) to improve environmental performance.

Waste Heat

Waste heat refers to heat produced by machines, electrical equipment and industrial processes for which there is no useful application; it is regarded as a waste by-product.

► Source: Wikipedia



25%

Natural gas provides about 25 per cent of North America's current energy consumption. This resource is expected to play a key role in our future energy supply, security, and reliability. Natural gas is a clean-burning and efficient fuel used for heating and cooling, manufacturing, plastics, and electricity generation.

Watch a video to learn more facts about natural gas.



CAPP is on Twitter.
Follow us @OilGasCanada.



Stewardship – Relationships Behind the Resource

Teaching the teachers

"I never thought I'd get to see the oil sands up close," says Carlee Hurl, Uncas Elementary School, near Sherwood Park. "It's so much better in real life than in the pictures."

Just after school doors closed for summer and students began vacation, 25 teachers from across the province of Alberta joined Inside Education, Devon Canada, and Suncor to learn first-hand about energy sources and the environmental impacts of development in the province.

The Energy Environment and Education Institute is Inside Education's flagship professional development program. This unique, week-long event took the teachers as far north as Fort McMurray and as far south as Pincher Creek to develop their energy knowledge.

Teachers learned about primary energy sources powering Alberta, including an investigation of the oil sands where they toured Devon's in situ facility and Suncor's mining operations near Fort McMurray. Participants also learned about coal, coal-bed methane, and alternative and renewable energy sources (wind, solar, hydro and bio-energy). Speakers shared their perspectives on energy and the environment through presentations and hands-on demonstrations, offering teachers tools and resources to take back to the classroom.

"As teachers, we share knowledge through personal experiences and story telling and the Jackfish story is certainly worth telling!" said Francesca Corbett, Centennial High School, Calgary.

Watch a video of the Energy Environment and Education Institute journey



- Read the [full story](#)
- Learn more about [Inside Education](#)

Teens discover petroleum

This summer, PennWest Energy Trust sent a group of 80 teens (aged 12-14) to the Canadian Petroleum Discovery Centre in Devon, Alberta for a day of interactive learning about the oil and gas industry.

The group, from the Alberta 4-H club provincial summer camping program, enjoyed a guided tour where they learned about the history of oil drilling. They also took part in hands on activities including a *Learning Lab*, a *Fossil Creation Station*, and even built their own *Sedimentary Sundaes*.

PennWest sees value in educating youth through quality learning experiences. "Sharing the history and promise of the province with students will help shape its future," said PennWest spokesperson, Nicole Collard.

- Read the [full story](#)
- Learn more about the [Canadian Petroleum Discovery Centre](#)
- Learn more about the [Alberta 4-H Club](#)



Relationships behind the Resource

This is a new section in *Upstream Dialogue*. We want to tell the story about what CAPP member companies are doing to develop important connections with stakeholders and the community. Stories chosen for publication will also be featured on CAPP's public website.

- If your company has a story to tell send it to upstreamdialogue@capp.ca or contact Kari Vickers 403-267-1152.
- Read [more stories](#) about how CAPP member companies are building relationships.



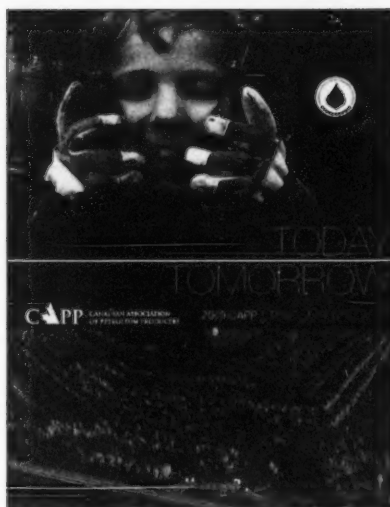
Stewardship Report

Measuring our Performance

CAPP's 2009 Stewardship Report will be available shortly. The report addresses the issues that are important to Canadians and to us as an industry, and identifies the measures we are taking to improve our performance.

In addition to the report, which is available in both print and PDF versions, the CAPP website also features the Stewardship Performance data from 2008. This data represents the transparent reporting of our industry's performance in environmental, health and safety, and social issues.

- Access the [CAPP Stewardship Report](#)



Stewardship – 2010 Steward of Excellence Awards

Nominate your company

CAPP's Steward of Excellence Awards were created to foster improvements in environmental, health and safety, and social performance. The awards recognize outstanding achievements by CAPP member companies for specific projects.

The nomination form for CAPP's 2010 Steward of Excellence Awards is now available.

- Deadline for entries: **Please note that the January 13th deadline for award submissions is earlier than previous years.**
- Access the 2010 Steward of Excellence Awards [nomination package](#).

Create a winning submission

A workshop to help member companies prepare their submissions will be hosted at CAPP on December 9, 2009.

- Register for the workshop. Contact Teresa Jackson, 403.267.1108 teresa.jackson@capp.ca.

Celebrating Stewardship

CAPP invites you to join us as we announce the 2010 CAPP Steward of Excellence Award recipients and celebrate the success of the Stewardship initiative. The sixth annual Stewardship Dinner, will be held Monday, March 15, 2009 at the Westin Hotel Ballroom in Calgary. Please note the dinner is being held in March, which is earlier than previous years.

- Ticket information and order forms will be available soon at www.capp.ca.
- For more information contact Andrea Dubé, 403.267.1118 andrea.dube@capp.ca.

2009 Award Recipients

Environmental Performance

Canadian Natural Resources Limited – Horizon Oil Sands Compensation Lake

Watch a video

Health and Safety Performance

Imperial Oil Limited – Contractor Safety: Improving More Than Statistics

Watch a video

Social Performance

BP Canada – A+ for Energy

Watch a video

Nexen Inc. – Balzac Crossfield Expansion Public Consultation

Watch a video

President's Award

Devon Canada Corporation – Reducing Pipeline Footprint Through Partnerships

Watch a video



Employee Perspectives

Landman or Trapper?



Name: Roxanne Hodgson

Title: Senior Surface Land Agent, "Landman"

Company: Shell Canada

Years of Experience: 13

Location: Calgary and the Athabasca region

Best part of the job: "The best part of my job is when trappers say 'I am so glad that you are telling me all about this.'"

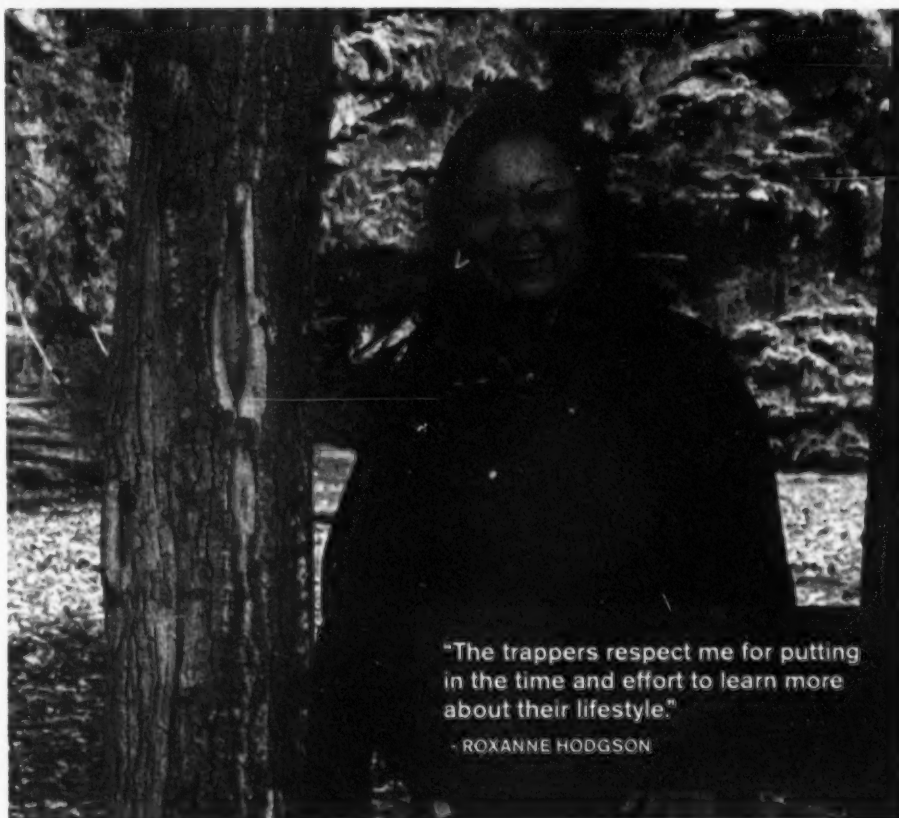
Success story: Building grassroots relationships with trappers, First Nations and other stakeholders in the Athabasca region by putting herself in their shoes.

Roxanne Hodgson understands a trapper's way of life because she is one of them.

Part of Roxanne's role as Shell's Senior Surface Landman for the Athabasca region is to liaise with external stakeholders whose land may be affected by operations. Trappers are a key stakeholder group as many make their living on the trap lines which often cross paths with industry operations. "We have 14 trappers in that area and they really want to know what the heck is going on," she said.

Contributing to her success in developing relationships with this group is Roxanne's commitment to understanding the challenges they face. In fact, Roxanne took a course through Alberta's Sustainable Resource Development to become a certified junior trapper. This experience put her face-to-face with 20 trappers in a classroom.

"Before the class started, the conversation was about bashing industry," she said. When the class got underway with introductions, Roxanne was hesitant to admit she worked for industry, unsure of what the reaction would be.



"The trappers respect me for putting in the time and effort to learn more about their lifestyle."

— ROXANNE HODGSON

"Finally, I just stood up and said I was a Surface Land Agent with Shell and that I was there to learn more about the trapping lifestyle and how we could work more effectively with trappers," she recalled. "At that point, four or five of them stood up and applauded."

That experience has opened some doors for Roxanne and Shell, enhancing their credibility amongst the trapper community. "I think the trappers respect me for putting in the time and effort to learn more about their lifestyle."

Roxanne also consults with various other groups including landowners, First Nations, and Métis Settlement Committees. Her role includes ensuring Shell is compliant with Directive 56, an extensive list of regulations set out by the Energy Resources and Conservation Board.

She has seen a lot of positive changes in land management since starting as a landman in 1996. "There was no Directive 56 [➔ sidebar] when I first started," Roxanne says. "Now there is just so much more responsibility and accountability on surface land. My job has really evolved and I'm glad it did," she says.

Roxanne has proven that creative relationship building, along with regulatory compliance, can go a long way in overcoming challenges in the industry but also makes for an exciting career. "I believe that we're very transparent and I couldn't do my job if I didn't believe in the company," she says. "I couldn't have picked a better career for myself."

► Learn more about [Petroleum Landmen](#).

► Learn more about [trapping in Alberta](#).

➔ Directive 56

The Energy Resources Conservation Board (ERCB) Directive 56: Energy Development Applications and Schedules presents the requirements and procedures for filing a licence application to construct or operate any petroleum industry energy development that includes facilities, pipelines, or wells.

► Read more about [Directive 56](#)



What do you want to know about the oil sands?

Canada's oil sands are a hot topic these days. Everyone is asking questions and it is important for industry employees, government, media, and the public to have the proper facts to be a part of the discussion.

Canada's leading oil sands companies have recently endorsed a set of guiding principles for oil sands development. The principles outline our industry's commitment to providing a secure source of energy, reducing the impact on the

environment, and providing economic benefits to society.

CAPP and several industry experts have created a comprehensive and easy-to-understand information package that provides the facts about the oil sands. The package includes the oil sands guiding principles for development, issue specific fact sheets, detailed brochures on industry's GHG emissions, water use, and land impacts. The package also showcases several innovation and technology

stories that demonstrate how oil sands producers are developing energy responsibly.

The package is available for download or in print.

- ▶ Access the on-line version of the [oil sands information package](#).
- ▶ To order a printed copy of the oil sands information package email publications@capp.ca

90,000

In Alberta, about 90,000 square kilometres of the boreal forest is protected from development.

- ▶ To learn more access the CAPP oil sands information package

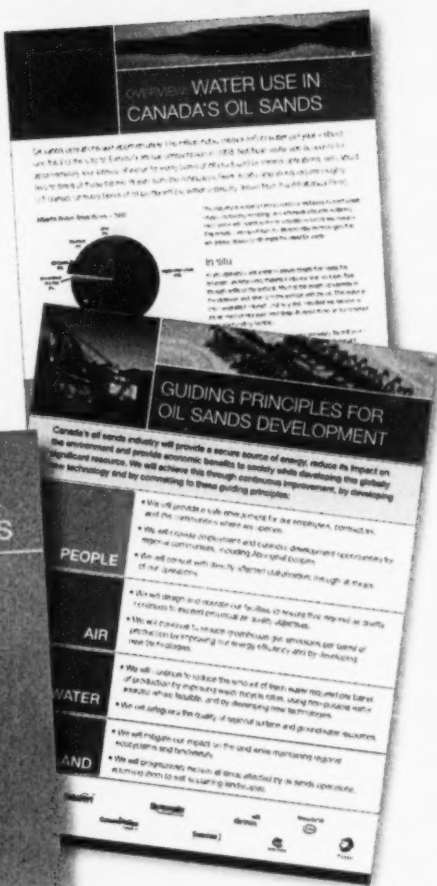
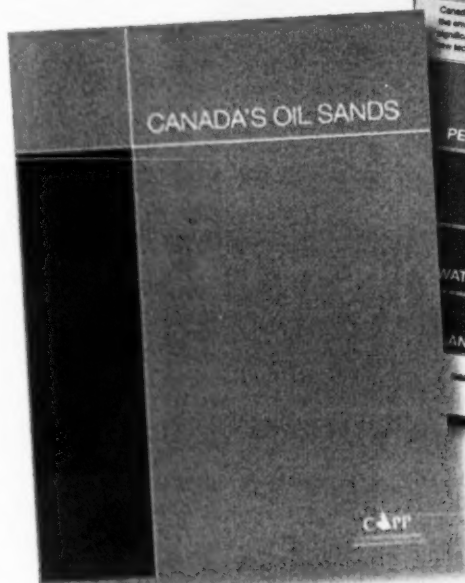
Live Together – Work Together

The Province of BC, in collaboration with CAPP, the oil and gas industry, and local communities has created a package of programs designed to improve industry and resident relations.

Living Together – Working Together is a voluntary community-based initiative that will help address local area concerns related to oil and gas activity such as traffic safety, speed control, dust, noise and roadway maintenance.

Several oil and gas companies operating in the Montney Play region of B.C. have made a public commitment to adhere to the *Living Together – Working Together* guiding principles.

- ▶ Read the Government of British Columbia [news release](#) announcing the program.
- ▶ Learn more about the [guiding principles and the companies involved](#).



\$1,700,000,000,000

Canada's oil sands are expected to contribute over \$1.7 trillion dollars to the North American economy over the next 25 years.

- ▶ To learn more access the CAPP oil sands information package



Profiling waste

The proper management of waste products in the oil and gas industry is extremely important. CAPP Waste Profile Sheets Guide is now available to CAPP members and the general public. The Guide has been prepared to assist upstream petroleum industry operators with the classification and handling of common industry wastes. This new version replaces the 2006 version of the guide.

Each waste information sheet has been divided into four sections: General Information, Hazard Information, Management Methods, and Transportation. The sheets cover a variety of different types of waste including acid, contaminated debris, and solvent residue.

► Access the [CAPP Waste Profile Sheets Guide](#).

Sour gas licenses

On Wednesday, October 28, 2009 Alberta's Court of Appeal made the decision to grant people residing in the Protective Action Zone (PAZ) around sour gas wells intervenor status at hearings. The appeal court said the ERCB's own definition "indicates those who live in a PAZ could have their rights directly or adversely affected as a result of a hazardous release." License application approvals for sour oil and gas wells, pipelines, and facilities were not being granted until it determined a course of action.

CAPP raised concern about the uncertainty around the decision and continued to press for the need for a prompt solution. The ERCB responded positively, recently announcing that it has corrected the error regarding emergency response modelling parameters and has lifted the temporary approval suspension.

► Read the [ERCB news release](#).

► **The Canada Gazette**

The Canada Gazette is an official publication by the government of Canada that publishes all laws and Orders-in-Council issued by the government. It also contains other information related to hearing and tribunals, proposed changes, etc. It is administered by Public Works and Government Services Canada by the Queen's Printer since 1841.

► Source: [Wikipedia](#)

Guidance for drilling and production regulations

The Government of Canada recently announced, in *Canada Gazette* [sidebar], the pending amalgamation and modernization of the *Canada Oil and Gas Operations Act* and the *Accord Acts*. The Acts govern the technical and operational aspects of the exploration for, and production of, oil and gas resources on Canada's Frontier lands.

On September 30, 2009 the Canada-Nova Scotia and Canada-Newfoundland and Labrador Offshore Petroleum Boards and the National Energy Board released a consultation draft of their Drilling and Production Guidelines. The document provides additional guidance to companies affected by the pending regulations which will be implemented on December 31, 2009.

The Boards are proposing that the guidelines, once complete, be exercised for a one-year trial period. This trial period will allow regulators, operators and other interested parties to assess and approve the guidelines before formally implementing them.

► Review [Canada Gazette Part I version of the Drilling and Production Regulations](#).



Canadian Association of Petroleum Producers (CAPP)

The Canadian Association of Petroleum Producers (CAPP) represents companies, large and small, that explore for, develop and produce natural gas and crude oil throughout Canada. CAPP's member companies produce about 90 per cent of Canada's natural gas and crude oil. CAPP's associate members provide a wide range of services that support the upstream crude oil and natural gas industry. Together CAPP's members and associate members are an important part of a \$110-billion-a-year national industry that provides essential energy products. CAPP's mission is to enhance the economic sustainability of the Canadian upstream petroleum industry in a safe and environmentally and socially responsible manner, through constructive engagement and communication with governments, the public and stakeholders in the communities in which we operate.

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newsletter directly from CAPP,
email your request
to upstreamdialogue@capp.ca.



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Become a fan.

TELL US YOUR SUCCESS STORY

We are looking for employee
stories to publish in our
Employee Perspectives section.

If you know of a CAPP member company
employee who has taken a leading role
in an innovative company project, they
may be eligible for feature in Upstream
Dialogue. Please submit a brief bio, any
existing published stories, and appropriate
contact details about the employee to
upstreamdialogue@capp.ca.

FEEDBACK

Your feedback, questions and/or
comments are always welcome. Your input
is important as we work to provide you
with information about Canada's oil and
gas industry.

► Send us your **feedback**

